

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

April 16, 2002

4:30 PM

Chairman Shea called the meeting to order.

The Clerk called the roll.

Present: Alderman Shea, Guinta, Smith, Thibault, Lopez

Messrs.: Mr. Dillon, T. Arnold, K. Buckley, G. Beloin, S Wickens, T.
Nichols, R. Sherman

Chairmen Shea addressed item 3 of the agenda:

Airport financial update by Kevin Dillon, Airport Director.

Kevin Dillion stated I would be working off of the spreadsheet that has been handed out to you. Let me explain the columns that you see, the column on the left is fiscal year 2002 budget numbers, the column in the middle is our month of February performance and the column on the right is the fiscal year to date through February performance out at the airport. I will just start quickly through the revenues. We continue to do well out at the airport, despite some of the set backs this past September as a result of the tragedy on September 11. The airport has recovered very nicely; in fact we are recovering a lot quicker then most airports across the country. If you take a look at our landing fees, right now we are about \$181,000 ahead of where we should be for this time of the year. Most of that is the result of additional flight activity that has been added post September 11. United has added a lot of Chicago service, additional Dulles service out at the airport. Continental has upgraded the size of all of their aircraft. Southwest has added Baltimore service. A lot of the airlines have added service at the airport in contrast to other airports that are loosing 20-25% of their flight schedule in some cases. In terms of automobile parking, again we are ahead when you look at the year to date number, on the order of about \$578,000 dollars for this time of the year. That does not take into account that we had a parking lot rate increase that went into effect on March 1, 2002. The performance on automobile parking will get even better as we continue to progress through the fiscal year. In terms of

rental of facilities which would be airline rental payments. We are about \$59,000 under, by the end of the year that will probably even out in terms of the overall rental payments. Very similar with other aviation fees, which would include for example apron rentals that the airlines pay to the airport we are almost right on target in terms of the other aviation fees. As far as concessions we are about \$148,000 ahead for this time of the year and again a lot of that is a result of some of the growth that we are experiencing at the airport. We had a very healthy February we grew by 6%. We just got our numbers in the preliminary numbers from March and we grew by about 4%. Overall for this time of the year we are about \$841,000 ahead of our revenue projection, or about 4.4% of the total revenue budget when it relates to operating revenues. Then you follow down and you see our interest income. That first line on the interest income is from our operating account. That is an account that can fluctuate quite a bit depending on our cash flows out at the airport. We are about \$91,000 under projection again a very difficult thing to project in terms of what the interest income is going to be at the airport because of the fluctuations. You drop to the next line the restricted interest income that is the interest that we get on our restricted accounts. For example our operations in maintenance reserve, all of bond accounts out at the airport, you can see we are way ahead in terms of interest payments there. At this point of the year we are about \$428,000 ahead of where we thought we would be based on our early projections. Terms of PFC, that is the next line passenger facility charges that is \$3.00 that we levy on each departing ticket from the airport. We are about \$69,000 ahead in terms of overall PFC collection at this point. We are benefiting from some of the increase traffic at the airport. In terms of customer facility charges that is a charge that we levy on rental car use at the airport for each rental car day we get a \$2.25 charge. We are about \$294,000 ahead of budget when you look at the overall CFC collections. In terms of total income right now for this point in the year we are about 1.5 million ahead of our revenue projections, or about 6.4% of the total budget. Are there any questions on the revenue before I jump into the expenses?

Aldermen Shea stated keep going with the good news.

Mr. Dillon stated in terms of expenses the salary line right now we are about \$216,000 under where we projected. Quite frankly we are holding four positions that we have authorization for that we have not filled. We had anticipated filling them earlier in the year, but as a result of September 11 we are incurring a lot of overtime payments for our operating staff out at the airport. We are using this as a little bit of a hedge to see how we are going to perform throughout the rest of the year. The positions that we are holding at this point are attorney, an auditor and two airfield positions. The auditor position we are moving forward with right now and will probably have on line by the beginning of June. As I said, at this point we are about \$216,000 under budget due primarily to those positions being held

open. In terms of purchase property services, that would be for example our law enforcement contract with Rockingham County, our firefighter contract out at the airport. At this point in the year we are about \$481,000 under budget. Most of that is a result of much lower utility cost than we had originally anticipated. We had to make some projections last year as to our utility cost as we continue to put new facilities on line at the airport, particularly the moving walkway from the garage to the terminal building. We needed to get some experience in terms of our overall utility cost. They are coming in much lower than we had anticipated so we have some good savings there. We also have a lot of savings in terms of a legal line that we carry. We carry about \$231,000 each year for legal services if we needed outside legal services and we have not had to use that at this point. The City Solicitors Office is doing a great job for us at this point. Terms of supplies and materials at this point we are about \$58,000 under budget, but I do anticipate by the end of the year that it will even out and we will probably be right on target. Terms of the reimbursement from the City of Manchester services. That is where the airport would reimburse for example for human resources services, the City Solicitor's services, and Finance Dept services. You can see that we have only received chargebacks of \$186.00 at this point. We are anticipating that we will get charge backs within the next couple of weeks and that we will certainly probably expend that \$68,000. That is about average for what we experience each year in terms of other city staff time. The next line is equipment capital and a general category, which you can see we are way under budget in terms of that category. Quite frankly one of the strategies that we use at the airport is that we reserve this line until the end of the year to see how our performance has been throughout the year. At the end of the year then we make our capital equipment purchases, for example fire trucks, snow plows for the airports, police vehicles all of the major capital equipment that we need at the airport. We reserve that until the final months of the fiscal year. If we were ever to sustain another tragedy like September 11th these are the types of accounts that we would turn to before we went into our restricted accounts, reserve accounts. We would look to dip into this account first. In terms of our overall operating expenses we are about \$2.2 million dollars under budget again the vast majority related to that equipment and capital line. That equates to about 18.6% under budget for the operating expenses. In terms of our other capital expenses you can see our debt service. That is an accrual number that we carry throughout the year we are usually right on target in terms of principal and interest payments for the bond satisfaction out at the airport. You also see another line their, capital improvement account. We use the same strategy that we use with the capital equipment line; we reserve this till the end of the year. This money would be utilized for example for projects such as repairing pavement in the parking lots at the airport, repairing pavement on the runway surface, landscaping work such as that done on Brown Avenue. This is the account that we would go to, to complete that. If you look at the total expenses at this point in the year we are about \$3.6 million under budget, or about 15.2%. We

do fully intend to spend the capital improvement account and the equipment and capital line. We are still projecting even with spending those lines we will probably end the year about 3% under budget in terms of expenses we are a little bit over 1 million dollars under budget in terms of expenses. In terms of revenues, we do anticipate that the revenue flow that we are seeing will be consistent in fact it will probably improve a little better because of that parking lot increase. We are planning to end the year at about 6% above revenue projections, or a little bit over \$2.1 million over our original revenue projection the airport should end the year with a net income on the order of little bit over 4 million dollars.

Aldermen Shea asked do you still anticipate the progression of revenue as well as you can't hold back the expenses for salaries and so forth that is something that you have to work with. Do you continue to see revenues increasing because of added passenger and freight, or do you feel at sometime that it might level off?

Mr. Dillon replied I do believe that you will see a continual increase as we continue to grow. Right now last year we handled 3.2 million passengers. The infrastructure that we are building right now will handle about 7 million passengers. Our revenues are directly tied to passenger numbers. The PFC's are passenger base concession revenues, parking revenues. It will be quite a while before you see that growth stop. It is all going to be tied with out passenger growth. At some point once we reach the 7 million passengers and we reach the end of the current master plan that we are under. If we cannot get approval to do further construction for the terminal expansion at the airport that is when you will start to see those activities levels and revenues slow down.

Chairman Shea stated some of the members have questions?

Alderman Thibault asked in terms of the income and some of the flight changes that have happened what do you attribute that too? Is it because Manchester is a lesser problem airport than Boston and some of those flights have been turned over to Manchester? Is that why the increase of flights have happened here in Manchester?

Mr. Dillon stated there is no doubt about that and we are continuing a trend that has been happening for a number of years where people are coming to Manchester as a preferred alternative to Logan. If you went back to July and August we were actually growing at about 14% rate. That was a result of a lot of people choosing to come to Manchester because of the convenience of access. If you look at our demographics prior to September 11th about 12% of our total traffic was coming from Massachusetts. Post September 11th that number has jumped up to 18%. That is an extraordinary growth within a very, very short period of time. We attribute that to some of the security concerns that exist at Logan Airport. Security

concerns on a couple of levels. Some horror stories down at Logan in terms of processing time on security lines you find at most major hubs. What we did at Manchester we added additional contract staff to make sure that we kept the waiting times under twenty minutes. We publicized that pretty heavily and a lot of people have chosen Manchester because of some of that. There is also an intrinsic security concerns that a lot of people feel that regional airports are safer than major hub airports. A lot of that is perception more than reality, but it is a perception that works in our favor. A lot of it is a trend that we have been seeing for a long period of time. People are choosing regional airports over major hubs.

Alderman Thibault replied, we are very lucky, very good.

There being no further discussion, on motion of Alderman Smith, duly seconded by Aldermen Thibault, it was voted to accept Mr. Dillon's Airport financial update.

Chairman Shea addressed Item 4 of the agenda:

Communication from Kevin Buckley, Internal Audit Manager, submitting Information relative to the committee's previous request to perform an audit of the Canal Street and Victory Parking Garages.

Alderman Lopez moved for discussion. Alderman Thibault duly seconded the motion.

Mr. Buckley stated that on the last page on the chart on the top it has national garage employees and city employees. I have gone back to the garage and asked a lot of questions and got that down. The national employees are 21 passes at each of the Canal and Victory. It is the same names; they have passes so they can get in and out of either garage so they can get in and out if they have to. The city employees are 120 at Canal and 70 at Victory for a total of 190 employees that have passes.

Aldermen Lopez asked if this is all free parking for employees' downtown?

Mr. Buckley stated yes, your pass only gets you into the garage Monday through Friday between 6:00 am to 8:00 at night.

Aldermen Lopez asked if there is a certain location that you park in the garage?

Mr. Buckley replied no, they could park anywhere they want. I do not know how they do it at Victory, but at Canal garage they insist that you park in the basement level.

Alderman Lopez asked Tom what about Victory parking.

Mr. Nichols replied they could park anywhere.

Alderman Lopez stated the comment on a page, where your signature page is. The general rule vehicle storage was not allowed. You found two vehicles and since then they have been removed, I presume.

Mr. Buckley replied the leased vehicle, which is a person who has 24hrs pays a \$75.00, a month lease. He has the right to leave his vehicle in there as long as he wants. The employee vehicle they were going to talk to him and have him move it.

Aldermen Lopez replied that is all I have.

On motion of Alderman Thibault, duly seconded by Alderman Smith, it was voted to accept the report.

Chairmen Shea addressed Item 5 of the agenda:

Internal Audit Report of Tax
Abatements and Exemptions for eight months
ended February 28, 2002 submitted by Kevin Buckley, Internal Audit
Manager.

Alderman Lopez moved for discussion. Alderman Guinta duly seconded the motion.

Alderman Guinta asked what are the qualifications for the hardship exemptions?

Mr. Buckley replied he does not know them off the top of his head, he would have to look them up again. They do have very specific guideline.

Chairman Shea requested Mr. Nichols of the Assessors Office to address the committee.

Mr. Nichols stated that in regards to the hardship abatement it is a letter that the assessors receive stating their financial difficulty in paying. Some of them have physical disabilities, and that is what they go by. We ask them for all their expenses and income.

Alderman Guinta asked is there a set income level, or is it a sliding scale based on income verses expenses.

Mr. Nichols replied that it is income verses expenses. If the income is a lot less then the expenses, the three assessors will go over the case. If we think it is a valid abatement, then we will grant it.

Alderman Guinta asked how many do you typically get in a year? Is that a low number?

Mr. Nichols replied about five a year. We scrutinize them very well.

Alderman Guinta replied, for the whole city 5 is all we get. These are abatements that have been granted. How many applications for hardships do you receive for a year?

Mr. Nichols replied again about 5 or 6 per year.

Alderman Guinta replied okay, thanks.

Chairmen Shea asked if there are any questions.

Alderman Thibault asked Tom do you still get people that do call you that feel their assessment was too high, don't you?

Mr. Nichols replied, yes

Alderman Thibault asked do you handle those on a call bases and you check those out?

Mr. Nichols replied yes we do, we have them send in letters, documents and everything.

Alderman Thibault stated that is even since that company has left. You guys are still looking at some of these requests, aren't you?

Mr. Nichols replied yes; we still have the abatement process that we are going through right know.

Alderman Thibault asked how long will that last? What if somebody comes back from Florida and they feel they were wrongly assessed. Would you still take that call and look into it?

Mr. Nichols replied I had one today. The people just came back from Florida. They need to follow the procedure. They need to send in a letter telling what happened and we put it on file. We have the regular people that file before March 1st, and then we have the late filings.

Alderman Thibault replied you would still take a call if someone feels they were wronged in whatever way.

Mr. Nichols replied we still have to document everything that we do.

Alderman Lopez asked the ones that are late files will go into the following year?

Mr. Nichols replied I personally would call them up and tell them that they have filed too late and they will have to come in and file again next year. If they have filed on time he will also let them know if it has been granted or denied.

Alderman Lopez asked how many did submit abatements?

Mr. Nichols replied about 1,500.

Alderman Lopez asked you would be abating those for this year and the late ones for next year.

Mr. Nichols replied yes, that is right.

Alderman Guinta asked Mr. Nichols what is the adjustment to market is?

Mr. Nichols replied most of the ones that are adjusted to market are if their land square footage or the building square footage was wrong, and we corrected it.

Alderman Guinta replied thank you.

On motion of Alderman Guinta, duly seconded by Alderman Lopez, it was voted to accept the report.

Chairman Shea addressed Item 6 of the agenda:

Audit status update submitted by Kevin Buckley, Internal Audit Manager.

Alderman Smith stated he would like to address the health claims audit. We are still waiting for the overpayments, which has been going on all year.

Mr. Buckley replied that they are still fighting with Anthem. The last he heard which was about a month ago Anthem was promising them they were going to get them the answers to a whole bunch of questions. They had questioned another \$100,000+ worth of claims and Anthem was going to get them the documentation. There was another bunch of them about \$30,000 to \$40,000 off the top of his head. Anthem had agreed that they owed the money and that they were just waiting to process the credit, so we should start seeing some more credits pretty soon from that.

Alderman Smith asked what do you anticipate the projection would be, how much do you think we are talking about overpayments?

Mr. Buckley replied there is one real big one out there and if we get that back we would bump the whole thing up to \$100,000. I think realistically we are looking at another \$30,000 to \$40,000.

Alderman Smith asked when you say we are looking at another \$30,000-\$40,000 in addition to anything before that or just \$30,000-\$40,000.

Mr. Buckley replied \$30,000 to \$40,000 in additional credits. When I have looked at stuff in the past that they have given me, they said we found X amount and how much we have gotten back. I would say \$30,000 to \$40,000.

Alderman Smith stated I recall that someone said we could get up to upwards of \$300,00 to \$400,000 is that unrealistic?

Mr. Buckley replied Anthem is doing a much better job then they thought they would in processing claims.

Alderman Smith asked so that is not to be expected according to what you are saying?

Mr. Buckley replied that they were expecting around a 3% error rate, and it is actually closer to 1%.

On motion of Alderman Guinta, duly seconded by Alderman Smith, it was voted to accept the audit update.

Chairman Shea addressed Item 7 of the agenda

Communication from Guy Beloin, Financial Analyst II, submitting monthly
Financial Statements for the nine months ended March 31, 2002.

Chairman Shea stated that he believes that we received yesterday a financial statement for the nine months, I am not sure if all the members have received that.

Randy Sherman asked if everyone has a copy. The agenda was missing a page.

Mr. Sherman replied it was a pretty dull month, you have a nine-month statement, with nothing really exceptional on the balance sheet to talk about. I would like to look at the 3rd page, the departmental budgets. The 4th column over is the 2002 % unobligated and if you look down at page 4 we have 28.16% of the budget remaining and if you look over on the very right hand column that percentage for last year is 28.71%. Despite the fact that we have had problems over at the welfare department we are still right on target with last years numbers. If you go up to page 3 and look in the very first section almost down to the bottom where you see the welfare dept. If you follow that across for 2002, you see a deficit there. If you recall at the last board meeting you transferred another ¼ of a million dollars into that. That is not reflected on the March statements, it will show on the April statements. The other thing I would like to talk about is on page 8. Dealing with the revenues, if you focus on the numbers at the bottom right hand column. The 3.9% is the increase of this year verses last year. What we were anticipating was about 6%. We are still trailing last year at this point, but we are ahead overall, on an actual basis, but for what has been budgeted we are still behind. We are still looking at that \$800,000 shortfall through the end of the fiscal year. What we did see in March was a jump in the auto registration. Last year we saw this massive jump in the month of April. We are looking at April now and April last year and it is actually behind last April. We think there is a spring rush to get people registered. We do not know if it is campers or motorcycles. There is something that happens in the March and April time frame. Even though we saw a jump in March we are not expecting April to equal last years April auto registration. Hopefully auto registration will meet this year's budget. We are still at this point anticipating that we are going to see a revenue shortfall. Does anyone have any questions?

Alderman Guinta stated I would like to go back to the balance sheet for a moment. The building maintenance division has 5.51% unobligated.

Mr. Sherman replied yes, what they do at the Building Maintenance Division; most of their budget is the janitorial contract. Right off the bat they encumber the whole amount so it actually shows up in the obligated to date. They do have a

contract for that and then that way they know all year what their money is that they can play with to do miscellaneous repairs and those types of things. You will always see that even if you went back and looked at July and August you will see that it is encumbered right up front.

Alderman Guinta asked if they were on target?

Mr. Sherman replied yes.

Alderman Guinta asked which is the line that has .21 obligated, is that retirement...City retirement?

Mr. Sherman replied you're in the far right hand column, the 2001 number. If you look at this year number it actually show that it is slightly overspent. It is like \$1,451.00, you're on page 3 correct. The city retirement is a set fee that we are given by the retirement board and we actually pay that up in January. To be honest with you I do not know why the 2002 are over, because I do not believe that last quarter it was. I will have to go back and take a look at that. It is probably something that should have been charged to the CIP projects; it is still waiting a correction on. We will go back and look at that. That is a set number that we get every year from retirement.

Alderman Guinta stated if you look at the percentage unobligated for several of these departments it looks likes we are actually ahead of schedule from a percentage stand point.

Mr. Sherman replied what actually is driving it down it is welfare. A lot of the departments are well ahead of where they should be. Theoretically they should have about 25% left.

Alderman Guinta asked where are you projecting we will end up at for the end of the year.

Mr. Sherman replied typically on the expense side we get 1% of the budget back, it is never in the same department. For example as we have talked in the past, I think you are going to see a good return from the highway dept this year. So if we are still looking at that 1 %, maybe a ½ million dollars from the departments this year. You really have to take welfare out of the equation because you have over \$500,000 left in contingency for the welfare department. We have noticed that their expenses are starting to tail off a little bit.

Alderman Guinta asked other then welfare we look like we are on target?

Mr. Sherman replied yes, I think everybody else is okay.

Chairmen Shea asked are the revenues from traffic down appreciatively? Is that where we are not going to come in as we had projected? The revenues from the parking or traffic are not where they should be. When we talk about coming in ahead of one phase of the budget namely the expenditures, the revenues. I think that we will be low in that regard.

Mr. Sherman replied yes I think that the revenues again will be about an \$800,000 shortfall. Even though traffic revenue, parking revenues may be up around 1million, and the interest income we think will be off. Other things will off set that. Hopefully our surpluses on the expense side can off set that shortfall, but if it doesn't, we have that rainy day fund, the revenue stabilization fund to cover the shortfall.

Chairman Shea asked how much is in that fund?

Mr. Sherman replied, if you go back to page two, which there is no page number on it. The first column the revenue stabilization is at 9 million dollars.

Alderman Lopez asked since we are talking about revenue please educate me on the surplus of the schools. It comes back to us and asked us to spend that surplus, if that money does come back or stay in the school side always?

Mr. Sherman replied it would stay in the school side.

Alderman Guinta stated he was confused, asking when you were referring to an \$800,000 shortfall you were referring to what?

Mr. Sherman replied on the non property tax revenue, just the revenue side.

Alderman Guinta asked so revenue shortfall is \$800,000, but budget expenses are reduced by the same percentage, or what?

Mr. Sherman replied, typically we see 1% of the appropriations do not get spent in every year. So that is on the expense side. You have told the departments they can spend a certain amount of dollars they do not spend every dime, we usually get about 1% back. Then on the other side we are dealing with the revenue collections, that is where we think we will see a shortfall this year. Typically we get excess revenue and the return from the departments, which makes it like a bonus on both sides. Which then allows you to use that surplus to reduce your tax rate going forward.

Alderman Guinta asked considering both we are not going to be over budget?

Mr. Sherman replied correct.

Alderman Thibault asked if the school has a \$450,000 over revenue the question I would like to ask is, If last year the joint school building committee appropriated money to fix certain school by \$380,000 or in that area. How is it that they come up with a \$450,000 surplus? If they have not fixed the schools and they have used some of that money? I am confused about that.

Mr. Sherman replied it is the same thing that we have just talked about on the city side. There is the expense side and the revenue side. They are real tight on their expense side, right know they are talking about less than a \$50,000 balance knowing all their commitments on the expense side. On the revenue side is where they are seeing extra revenues than they had anticipated when we set the tax.

Alderman Thibault stated that he is now more confused and would like to ask the question again. If in fact last year we appropriated \$380,000 to fix ten schools and they used that money for something else how can they end up with \$450,000 extra money this year with out fixing those schools?

Mr. Sherman replied because it is on the revenue side. You budgeted SCIP money in the budget and they took that and used it for other items. So they have spent all the dollars that you told them they could spend. But on the revenue side they have brought in more revenues that we have anticipated.

Alderman Thibault stated since they spent it on not what we agreed for it to be spent on. Out of the \$450,000 we should take the \$380,000 that they were supposed to spend on what the joint school board asked them to spend it on, so they end up with roughly about \$70,000 extra. The way I add and subtract thank you.

Chairman Shea stated for clarification regardless of how much we were to give them whether it is \$72,000 or \$400,000, they retain that money in their account.

Mr. Sherman replied yes, they have a separate set of books at this point.

Chairman Shea asked if we were to say to them tonight you can spend \$50,000 out of the \$400,000 they would take the remaining \$350,000 and keep it in the school department possession.

Mr. Sherman replied yes.

Alderman Thibault stated I guess my question would be. What is the point of having all these committees that meet and make recommendations if it is never followed? What is the point of it?

Chairman Shea replied what meeting are you talking about.

Alderman Thibault stated if the Joint School Building Committee agrees that \$380,000 should be spent on X schools last year and the school board decided to spend the money somewhere else. What is the point of the joint school board committee meeting?

Chairman Shea replied you are on that committee so I am not sure. You could ask that at the next meeting. This is a different subject.

Alderman Thibault stated it has to start somewhere and I needed to know where that money went.

On motion of Alderman Smith, duly seconded by Alderman Lopez, to accept the report.

Chairman Shea addressed Item 8 of the agenda:

Communication from Ms. Wickens Wickens, Financial Analyst II,
submitting the 3rd Quarter FY02 write off list for the accounts receivable
module.

Ms. Wickens stated this is the 3rd quarter FY02 write off list I do not know if you have had a chance to review it and are there any questions?

Chairman Shea asked I thought at the last meeting we had discussed about a possible legal...

Deputy Solicitor Arnold replied please look at page 9f, Ms. Wickens has marked off the ones that presently are in our office and the ones that the court proceedings have been started on.

Ms. Wickens replied, it is on the very last page.

Alderman Thibault stated that he does not have that page.

Ms. Wickens replied look for the solicitor's list; it could possibly be 9(e).

Chairman Shea asked if Tom would like to continue.

Deputy Solicitor Arnold replied that he was not aware that there was another question.

Alderman Thibault asked could you please kindly review that for us so everyone is aware.

Deputy Solicitor Arnold replied as you can see the list is pretty much self-explanatory. The shaded areas are the ones that legal proceedings have been started on. The rest have notations in the last column over. The ones submitted for 3rd quarter write off are in that last column. If you will note a number of those, the 3 year statute of limitations has passed some time ago. I would note that most of those are traffic cases. It is where a driver did damage to city property involved in an accident, and was uninsured type of thing? That probably wouldn't lead to a recovery anyway. With respect to Mr. Kate I did send him a letter at the address that I was given. He is no longer there and we are still trying to track him down. The rest are in various stages of evaluation by myself.

Alderman Guinta asked who is Mark Paris, traffic.

Ms. Wickens replied he is another one who was in an accident and damaged city property, a traffic person. He has no insurance.

Alderman Guinta asked is he a resident of Manchester.

Ms. Wickens replied I can't remember I know the paperwork was sent to Tom, and he was looking at it. That was one that the statute did not expire.

Alderman Smith asked Chairman Shea if we could go back to 8 and then discuss 9, because there are quite a few matters in regards to 9 that I would like to discuss. I think that Ms. Wickens is here and at the last meeting we waived on account three or four accounts.

Ms. Wickens replied that Mark Paris is a resident of Goffstown.

Alderman Guinta stated okay, thank you.

Chairman Shea acknowledges Alderman Smith.

Alderman Smith stated I would like to move 8 with no discussion.

Alderman Thibault stated I would like to second.

Alderman Guinta replied no, I would like to discuss it. I do not think I have asked about this one, the Pellerin one for \$12,000.

Ms. Wickens replied Francois Pellerin is on the write off list. He was in a traffic accident, damaged city property, has no insurance. Tom actually the solicitor's office did look at that one and didn't feel it was collectable.

Alderman Guinta asked if he is a Manchester resident.

Ms. Wickens replied no, he is a Goffstown resident.

Alderman Guinta asked if we know what he does for employment.

Ms. Wickens replied I do not know. I only have a copy of the accident report. He was issued a citation.

Alderman Guinta asked what is the citation for.

Ms. Wickens replied it just says DSMV 385. I am not quite sure.

Alderman Guinta asked what did he hit.

Ms. Wickens replied that it occurred on the intersection of Beech and Bridge Street..... He knocked out traffic lights.

Alderman Guinta asked when was the accident date.

Ms. Wickens replied the report is dated November 23, 1997.

Chairman Shea called upon Alderman Lopez to speak.

Alderman Lopez stated if I am correct, or correct me if I am wrong, what we are doing on number 8 is submitting this to the City Solicitor is that correct?

Ms. Wickens stated no that is the write off listing. Most of them have been submitted to The City Solicitor. If you look at the Solicitor's report, you can see them on there. I have noted the ones that are being submitted for 3rd quarter write off.

Alderman Lopez replied so these are the 3rd quarter write-offs on number 8. I would like to move on approving it.

Alderman Thibault stated he would second the motion.

Alderman Thibault asked are we saying that we are not going to go after this guy.

Ms. Wickens replied, I am sorry, what is the question.

Alderman Guinta stated the statute ran out.

Alderman Thibault asked to know why do we wait so long to go after these people after the statute has run out. Why don't we go after these people especially when we know that there is no insurance? Has the state revoked his license?

Deputy Solicitor Arnold replied, I do not know the answer to that question. Unfortunately, this one occurred before we set up the present system of them being sent to my office. He didn't have insurance and quite frankly in these types of cases as distasteful we might find it the probability is that we could put quite a bit of work into bringing a writ and prosecuting the case and going to trial only to find out that he is "judgment proof"; that we wouldn't get our money even if we got a judgment out of the court.

Chairman Shea stated Alderman Thibault brought up a good point. If someone is non-insured...that is why I believe that we should have mandatory insurance but insurance companies are against it. But, if we don't have it, I think there's an agreement if somebody has a traffic accident and they knock down traffic signal standards...it's \$11,000-\$12,000... I think that you can write to the Department of NH and they'll pull that fella's license.

Deputy Solicitor Arnold stated there is a state statute... the financial responsibility statute. Generally, I do not think that it even takes a letter. When the State Department of Motor Vehicles gets in an accident report and it stated there is no insurance, they essentially will write to the driver involved and say you either have to post cash or a bond. Absent some agreement with the party that has been damaged the driver's license will be revoked.

Alderman Thibault stated that is exactly what I was asking.

Deputy Solicitor Arnold stated that he does not know if it has happened in this case or not. I can tell you that is the procedure under the statute.

Alderman Smith stated that he would like to pursue it a little bit more. There are quite a few that I went through, and that is why I would like to go to section 9. There are quite a few that I am sure Mr. Lolicata can verify this. A lot of traffic

signals have been knocked down and the Traffic Department's repair at a cost of \$9,000-\$12,000 if they hit one of the standards up above. We do not seem to get the money back because these people are uninsured. We have to have a strong enforcement; this is money out the door, time and expense for the Traffic Department.

Alderman Guinta asked could we get in writing the process and procedure that is currently in place for trying to recover these fees.

Ms. Wickens replied in writing sure. I can put something in writing. I think it is in writing already. I do not have anything now.

Alderman Guinta stated I would like to see what it is and maybe we can review it and review some of the state law and come up with some way that we can help you recuperate the funds. This is \$27,000 worth of funds that we are writing off. I would certainly help you and your staff to recover it.

On motion of Alderman Smith, duly seconded by Alderman Guinta, it was voted to accept the write off list.

Chairman Shea addressed Item 9 of the agenda:

Communication from Ms. Wickens Wickens, Financial Analyst II,
submitting reports as follows:

- a) department legend;
- b) open invoice report over 90 days by fund;
- c) open invoice report (all invoices for interdepartmental billings only);
- d) open invoice report (all invoices due from the School Dept. only); and
- e) listing of invoices submitted to City Solicitor for legal determination.

Chairman Shea called upon Alderman Smith.

Alderman Smith stated I would like to find out why the insurance companies are so late in their payments. If you noticed there is almost a wish list of insurance companies over 90 days of non-payment.

Ms. Wickens asked are they for little dollar amounts, around \$3.00.

Alderman Shea replied yes.

Ms. Wickens stated they are for police reports. The police have their own committee and the way that they collect for over 90 days is that it does not come through her. I could have them here to explain what their process is. They are aware of this for I do send them a report every month letting them know exactly what is over 90 days. They are aware of it.

Chairman Shea asked if the members would like the insurance company to come up or not...there was no response.

Alderman Guinta asked are they paying it, but just paying it very late.

Ms. Wickens replied that it seems that they come in like 6 months in arrears and I am not quite sure why. They do pay it late, but always seem to pay it. We write very little off on that.

Alderman Lopez asked isn't there a revenue policy...we've approved a revenue policy and procedures that you're going to provide as to department's on time frame, if I recollect, right?

Ms. Wickens replied the revenue policy and procedures is being revamped a little bit per one of the meetings that we had. It is not in a final draft I do not believe yet.

Alderman Lopez stated we need to and I have agreed and I have been on this committee now for 3 years....we keep talking about policies and procedures for department heads....they can't do what they want to do they have to do what we need them to do. We shouldn't wait six months for it and that should be looked into.

Chairman Shea called upon Alderman Smith.

Alderman Smith stated in reference to page 29 9(b) stated we have the Manchester School Athletics with quite a sum that is outstanding for 90 days. I think it is \$147,000 some odd. It is on page 29, 9(b)

Ms. Wickens stated I do not know that one off the top of my head. I think the \$147,000...the unpaid amount is \$610.00 so I think that is disputed, most of it has been paid. The total amount of the invoice was \$147,000.

Alderman Smith stated I can understand that, and I can see what the amount is unpaid, but I do not understand why one department does not pay their dues on time.

Ms. Wickens replied this is school, they may be disputing it, and I can find out exactly why and report that back to you.

Chairman Shea asked if there are any other questions.....there were no replies.

Alderman Lopez moved to accept the report. Alderman Thibault duly seconded the motion.

Ms. Wickens replied Kevin Dillon is here and he was going to talk about the FAA reimbursement. Alderman Guinta had mentioned it at the last meeting. There was a FAA reimbursement for \$398,000 and you were wondering why it was out there.

Alderman Guinta replied that he has his answer and is satisfied with it.

Chairman Shea called for a vote on the motion to accept the report. There being none opposed, the motion carried.

TABLED ITEM

Communication from Kevin Sheppard, Deputy Public Works Director,
regarding the Johns Mansville Settlement Fund.
(Tabled 10/9/01)

This item remained tabled.

There being no further business to come before the committee, on motion of Alderman Smith, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee